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6 August 1959

TO : Chief, St/I/R

THRU : Chief, D/S

FROM : Chief, S/TD

SUBJECT: Requirement as to Price of French Communications Cable being exported to the USSR

Background

1. Several months ago France licensed for export to the USSR 450 kms of communications cable covered by Item 1526 of the COCOM embargo list. The company which has the contract is Cable de Lyons, a subsidiary of Compagnie Generale d'Electricite. France insisted the cable was not covered by the embargo, but was merely on the watch list and, despite expert opinion to the contrary, still insists on making the shipment.

2. Although Washington is aware of the prices quoted by Belgium, Germany, and Italy for similar types of cables, it is important to determine if the USSR is paying a premium price for this highly strategic cable.

Requirement

3. Ascertain the price which the USSR is paying for the cable and the price Cable de Lyons normally receives for the same cable.

4. Report any other information which might give an indication of a premium price being paid by the USSR.

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